

ARTICLE APPEARED
ON PAGE 2

CHICAGO TRIBUNE
1 July 1980

Secret report

Tell bizarre plots of drug officials

By James Coates

Chicago Tribune Press Service

WASHINGTON — A battle between a Senate committee and the Justice Department has led to disclosure of previously secret details of bizarre activities of current and past top law enforcement figures.

The controversy focuses on a still-classified report by a three-member legal panel that exonerated federal drug officials of criminal wrongdoing in a variety of cases ranging from an alleged plot to assassinate the president of Panama to the purchase of bugging equipment.

Some of the most colorful figures in modern federal law enforcement are involved in the cases, which Sen. Dennis DeConcini [D., Ariz.] is seeking to review as his Judiciary Committee examines the work of the men who handled the nation's most sensitive public corruption cases for five years.

The cases were investigated in the final months of the Gerald Ford administration by Justice Department officials Michael Defeo, Thomas Henderson, and Arthur Norton after allegations surfaced of massive criminal activity within the Justice Department's drug enforcement units.

THEIR FINAL recommendations were included in the so-called Defeo report, which was shown to key senators and a handful of their aides in 1976 but was never made public. Major portions of the document now being circulated here indicate that Defeo's panel explored these issues:

• A charge that top Drug Enforcement Administration officials William Durkin and Phillip Smith "participated in discussions within DEA regarding a proposal to assassinate then-Presidenti Omar Torrijos of Panama, who was suspected of being involved in drug trafficking."

• Allegations that Thomas Puccio, the prosecutor who went on to become the moving force behind the current ABSCAM investigation of members of Congress, had illegally provided secret court documents and investigative files to a hoodlum.

• Admissions from Lucien Conein, the DEA's flamboyant intelligence chief, that he had purchased more than \$4,000 of sophisticated bugging equipment from a shadowy front company to give the government "deniability."

• Disclosure that DEA agents accepted money from the late Howard Hughes' Summa Corp. for use on gaming tables in Nevada while working undercover to break up a drug ring operated by casino employees.

• A revelation that the same DEA official who bought the \$4,000 worth of bugging equipment also sat through a presentation by arms salesmen of a catalog of sophisticated lethal devices, including a gun disguised as a cigar, exploding cigaret packs, and a device used to transform automobile gasoline tanks into bombs.

DeCONCINI DEMANDED a copy of the Defeo report earlier this month when investigating the performance of the Justice Department's public integrity section as a member of the Senate Judiciary Committee. Henderson, one of the three-member Defeo panel, headed that action until recently.

However, DeConcini's efforts to obtain the document to date have been rejected by the Justice Department in a dispute over security clearance for the senator's aides. Officials at Justice are known to view the Arizona senator's investigation as a bid to gain influence over policy regarding the DEA.

DeConcini has been outspoken about his belief that federal drug enforcement needs reform. His aides vowed he would "keep pressing for the Defeo report."

MEANWHILE, THE Church of Scientology has circulated portions of the Defeo report, which was apparently stolen. The Scientology documents, which Justice Department sources confirmed are genuine, illustrate the sensitive content of the full report.

For example, rumors of an American assassination plot against Torrijos were seized upon by foes of the Panama Canal.

The report concluded that DEA intelligence operatives had not planned an assassination. The operatives told Defeo, however, that they did discover an assassination plot against the Panamanian strongman and passed the information along to the Central Intelligence Agency. The plot was subsequently "neutralized," the report said.

The report also includes the following ominous but cryptic observation: "It was alleged that a discussion concerning assassination involved the possibility of killing a Mr. Noryago, the principal assistant to the president of Panama, and that [DEA executives] Smith and William Durkin actually proposed that he be killed. A review of the files does not reveal Smith's position as to discussions concerning Mr. Noryago."

ANOTHER CONTROVERSIAL part of the report deals with Conein's actions. The onetime top intelligence operative for the DEA, according to an agency spokesman, no longer holds a "policy" job at the agency although he remains assigned to DEA intelligence.

Conein, a CIA operative in Viet Nam, recruited 14 colleagues from the CIA to join his staff with DEA intelligence branch in the middle to early 1970s, Defeo found.

These operatives conducted several undercover operations that Defeo probed. Among them was helping Summa Corp. by sending agents to gamble in Las Vegas to ferret out a drug ring operating at the Frontier Hotel, then owned by Hughes.

Defeo found that the DEA operatives used Hughes' money to pose as high-rolling gamblers. A similar operation was conducted for Resorts International's casino in the Bahamas.

GOVERNMENT AGENTS may have lost \$17,000 while posing as high rollers at Resorts International's Paradise Island casino. That money apparently was provided by the CIA-connected investigation agency, Intertel.

CONTINUED